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SUBJECT: A/S SULLIVAN DISCUSSES UK DEVELOPMENT POLICY

REF: A. LONDON 3454
[1](#)B. LONDON 4328

[1](#)1. (SBU) Summary: UK development official Shriti Vadera expressed an interest in closer cooperation with MCC and PEPFAR in a meeting with EEB A/S Sullivan. She also said she has been reaching out to private sector companies such as Coca-Cola and Vodafone (and next Wal-Mart) to use their systems to help with the Millennium Development Goals (MDG) Call to Action. Also on the MDG Call to Action, Justin Forsyth, the Prime Minister's advisor on development, in a separate meeting reinforced the importance of celebrating MDG successes. Ref B includes information on A/S Sullivan's Iran-related meetings. End Summary.

Cooperation with MCC and PEPFAR

[1](#)2. (SBU) EEB Assistant Secretary Dan Sullivan met Department for International Development (DFID) Parliamentary Under Secretary of State (PUSS) Baroness Shriti Vadera November 14.

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Vadera highlighted the good cooperation between MCC and DFID in Tanzania. She expressed disappointment that MCC funding is at risk of being cut, especially because MCC is an effective program and DFID and MCC work is often complementary. Sullivan noted the positive effect MCC has had to encourage reforms, even in countries that do not receive MCC funding.

[1](#)3. (SBU) Vadera said she will be in Rwanda November 26. She noted that the UK and the Government of Rwanda are working on a growth diagnostic report to determine what is needed to encourage economic growth in Rwanda. She stressed it is not a shopping list, but rather is intended to delve down to specific actions and policies Rwanda needs to unlock growth.

[1](#)4. (SBU) Vadera expressed an interest in working with MCC in Rwanda because it is an MCC threshold country. She said DFID is focusing much more on growth since Brown became prime minister in June. This meshes well with MCC's rate of return criteria, in her view. Also, she said DFID is not best placed to fund infrastructure projects given its size, but DFID's work on barriers to growth complements MCC's projects. She said she would like to work together with MCC to do joint assessments of country needs to leverage the impact of the work both DFID and MCC are doing separately now.

¶5. (SBU) Vadera said Ghana and Tanzania are ripe for more work on secondary education. Although the rate of return is not as high as for HIV/AIDS work, education builds skills and fuels growth. She added that PEPFAR would also be more transformative if linked to education because girls in school are less likely to get HIV/AIDS. She praised PEPFAR and its efforts to address the constraints due the lack of sufficient health workers.

MDG Call to Action

¶6. (SBU) Vadera said that although it might be difficult to hold a meeting on MDGs on the margins of UNGA, the MDGs are UN goals, and there is no other time when all the leaders will be together. It is important that the leaders make a statement. She noted that leaders lose credibility if they do not follow through on promises. The U.S. and UK are on track to meet their G-8 commitments, she added, but other European countries are not. She said she is trying to move away from the focus on giving 0.7 percent of GDP in favor of focusing on outcomes and keeping promises.

¶7. (SBU) She said the purpose of the Call to Action is to figure out what everyone is doing and celebrate the successes. The focus of the proposed conference can then be on the best way to reach the desired outcomes and determining responsibility to reach these outcomes. She also wanted to get countries to feel responsible for their own regulatory frameworks.

¶8. (SBU) In preparation, Vadera said she has been focusing on the proposed private sector component. It is the supply side of development, such as skilled people and public services that is missing in her view. She said she has been reaching out to private sector companies such as Coca-Cola and Vodafone to use their existing structures to help achieve the MDGs, rather than just giving funds. She highlighted Coca-Cola's excellent distribution network and Vodafone's work on remittances. She also noted that Unilever has a product that purifies water quickly and cheaply, but it is not commercially viable to develop, so assistance from DFID could be needed to encourage them to produce the product. Vadera is looking for a contact at Wal-Mart to discuss the possibility of sourcing some of their products from Africa. She said 20 companies have expressed an interest in participating to date. The goal is to include companies that can deliver some unique service DFID is vetting the companies that are interested and plan to select five before the envisioned spring preparatory meeting for the proposed UNGA event.

¶9. (SBU) During a separate meeting, Justin Forsyth, the Prime Minister's advisor on development, also cited the potential development benefit these private sector companies could offer. He reiterated the need to focus on and celebrate progress toward the MDGs rather than seeking an impossibly perfect outcome. On development more broadly, Forsyth wanted the G-8 to build on its current efforts, but also to widen them, such as looking what cities are doing on climate change. For the Japanese G-8, he said there is potential to focus more on growth and development.

¶10. (U) This cable has been cleared by A/S Sullivan.

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